

If Democrats Controlled the House...

A Weekly Taste of Their Legislative Agenda

September 14, 2012



What sort of legislation might Democrats enact if they control the House? There is little need to speculate—just look at what they are introducing this Congress while in the minority. Below is another example of a bill the Democrats might try to move if given the opportunity.

Proposal: H.R. 3784, Gas Price Spike Act of 2012

Sponsor: Rep. Dennis Kucinich (D-OH)

Summary: This legislation would propose an excise tax on the windfall profits from the sale of crude oil or natural gas which exceed a “reasonable profit.” The bill then establishes a “Reasonable Profits Board” to make determinations on what defines a “reasonable profit” for the purposes of the tax.

Problems with the Bill: This bill would create a Soviet-style, command-and-control “Reasonable Profits Board” to determine whether a company selling crude oil or natural gas had exceeded what the government considers a “reasonable profit.” This Orwellian nightmare of an idea would be used to determine the amount of “reasonable profit” above which the sale would be taxed. Even ignoring the fact that many politicians today [misunderstand](#) and overestimate the profits of oil companies, this is a terrifying suggestion to any who care about economic freedom. The bill stipulates that additional profit would be taxed at rates of 50% (if it is between 100% and 102% of a “reasonable profit”), 75% (between 102% and 105%), or at a full 100% (anything above 105% of what this board deems a “reasonable profit”). Literally, the government would take everything above the 5% amount that this federal board determines to be “reasonable.” In some circles of the Democratic Party, it seems, the notion of free enterprise is entirely dead.

Even putting aside its all-out attack on the free market, though, the consequences of this bill could be staggering. The profits for the sale of crude oil and natural gas in the United States would be capped by an unelected board ruling from on high. If the opportunities for sale elsewhere presented a greater potential for growth, there would simply be no more reason to sell crude oil or natural gas to the United States. It is important to keep in mind that the vast majority of oil is both produced and consumed abroad, safe from the whims of Democrats in Congress. If oil companies can exceed what the Reasonable Profits Board deems a “reasonable profit” by selling to China or elsewhere, they will - leaving America figuratively and literally out in the cold. This radical legislation presents an assault not only on American values of freedom and earned success, but also on American energy usage and productivity.

Reminder: RSC staffers and interns are encouraged to send other examples of questionable legislation to Rick.Eberstadt@mail.house.gov.